
**TWENTY-EIGHTH AMENDMENT
FRACTIONAL OFFERING PLAN
FIFTH AND FIFTY-FIFTH RESIDENCE CLUB
TWO EAST 55TH STREET
NEW YORK, NEW YORK 10022**

Sponsor:

**St. Regis Residence Club, New York Inc.
c/o Vistana Signature Experiences, Inc.
9002 San Marco Court
Orlando, Florida 32819
(407) 903-4000**

Dated: February 28, 2018

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TWENTY-EIGHTH AMENDMENT
TO
FRACTIONAL OFFERING PLAN

INTRODUCTION

This Twenty-Eighth Amendment modifies and supplements the terms of the Fractional Offering Plan for the Fifth and Fifty-Fifth Residence Club located at Two East 55th Street, New York, New York 10022 dated February 17, 2006 ("Offering Plan"), and should be read in conjunction with the Offering Plan, as previously amended.

The terms of this Amendment are as follows:

1. STATUS OF CLOSING CLUB INTERESTS

As of February 15, 2018, Sponsor closed title on the sale of approximately 273 Club Interests out of a total of 372 Club Interests, leaving approximately 99 Club Interests available for sale.

2. PURCHASE PRICE SCHEDULE

Annexed hereto as Exhibit "A" is a "Schedule A – Purchase Prices and Related Information" ("Schedule A") which reflects the current purchase prices for each of the Club Interests.

THE PURCHASE PRICES SET FORTH IN SCHEDULE A HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

3. 2016 CLUB FINANCIAL STATEMENTS

Annexed hereto as Exhibit "B" is a copy of the financial statements of the Club Association for the year ended December 31, 2016, prepared by Myers Brettholtz & Company, Certified Public Accountants. The financial statements of the Club Association for the year ended December 31, 2017 are not yet available.

4. 2016 CONDOMINIUM FINANCIAL STATEMENTS

Annexed hereto as Exhibit "C" is a copy of the financial statements of the Condominium for the year ended December 31, 2016, prepared by Myers Brettholtz & Company, Certified Public Accountants. The financial statements of the Condominium for the year ended December 31, 2017 are not yet available.

5. 2018 CLUB BUDGET

Annexed hereto as Exhibit "D" is the budget of the Club Association for the year commencing January 1, 2018, which was adopted by the Club Board.

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6. **2018 CONDOMINIUM BUDGET**

Annexed hereto as Exhibit "E" is the budget of the Condominium for the year commencing January 1, 2018, which was adopted by the Condominium Board.

7. **CLUB BOARD**

The present officers and members of the Club Board are as follows:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Skip Kotkins	President	Club Owner
Keith Balter	Vice President & Secretary	Club Owner
Guy Collette	Treasurer	Club Owner
Dale Curtin	Director	Sponsor

Sponsor does not control the Club Board.

8. **CONDOMINIUM BOARD**

The present officers and members of the Condominium Board are as follows:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Timothy Grisius	President	Hotel
Sarah Hays	Vice President	Hotel
Marvin Schein	Vice President	Suites
Andrew Bodziak	Secretary	Hotel
Allison Helminski	Treasurer	Hotel
David Greenbaum	Manager	Retail
Keith Balter	Manager	Club

The Hotel and Retail Board Members will at all times control the Condominium Board through the designation of a majority of its members.

9. **FINANCIAL CRIMES ENFORCEMENT NETWORK DISCLOSURE**

Purchasers are advised that the Director of the Financial Crimes Enforcement Network, U.S. Department of the Treasury ("FinCEN"), has recently extended and expanded the Geographic Targeting Order ("Order") that applies to any corporation, partnership, limited liability company, or other similar business entity ("Covered Purchaser") using cash, a cashier's check, certified check, traveler's check, personal check, business check or money order in any form or a funds transfer, whether wholly or in part, without a bank loan or other similar form of external financing, to purchase a Residential Unit in the Borough of Manhattan from Sponsor for a total price in excess of \$3,000,000 (a "Covered Transaction"). The Order has been extended past its original expiration date of August 22, 2017 to apply to all Covered Transactions through March 20, 2018, and has been expanded to include transactions involving the use of a personal and/or business check and/or a wire transfer on purchases of Residential Units in the Boroughs of Brooklyn, Queens, Bronx and Staten Island where the total price exceeds \$1,500,000. The Order provides that in the event a Covered Purchaser enters

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into a Covered Transaction, the Covered Purchaser shall be required to deliver to the Title Company at Closing all documents and information necessary in order for the Title Company to comply with the requirements set forth in the Order, including without limitation, the requirement to file a completed FinCEN Form 8300. Any failure by the Covered Purchaser to deliver such documents and information shall be deemed an Event of Default under the Purchase Agreement. Purchasers are advised to refer to the text of the Order itself, which may be further extended. Additionally, as long as the Order remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after September 22, 2017. For further details: https://www.fincen.gov/news_room/nr/files/Title_Ins_GTO_Sample_072716.pdf.

10. TAX CUTS AND JOBS ACT OF 2017

On January 1, 2018, the Tax Cuts and Jobs Acts of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Accordingly, the tax information and projections disclosed in the Plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes and/or deductions. Purchasers should not rely on any representations in the Plan addressing taxes and deductions without first consulting a tax expert.

11. INCORPORATION OF PLAN

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same effect as if set forth at length.

12. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

13. NO MATERIAL CHANGES

Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

14. EXTENSION OF PLAN

This Amendment extends the term of the Plan.

SPONSOR:

**ST. REGIS RESIDENCE CLUB, NEW YORK
INC.**

EXHIBIT "A"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

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SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION
FIFTH AND FIFTY-FIFTH RESIDENCE CLUB
Two East 55th Street
New York, New York 10022

Number	CLUB UNIT 1				PURCHASE PRICE 2	PROJECTED ANNUAL CLUB CHARGES 3		
	Bedrooms	Bathrooms	"Condominium Declaration" Square Feet	"Usable" Square Feet		Real Estate Taxes (a)	Other Club Expenses (b)	Total Club Charges (a)+(b)
801	One	Two	1061	935	\$700,000	\$2,859.97	\$15,632.91	\$18,492.88
901	One	Two	1061	935	\$700,000	\$2,859.97	\$15,632.91	\$18,492.88
803	Two	Two	1546	1383	\$1,000,000	\$4,409.55	\$20,462.32	\$24,871.87
903	Two	Two	1546	1383	\$1,000,000	\$4,409.55	\$20,462.32	\$24,871.87
1103	Two	Two	1546	1383	\$1,000,000	\$4,409.55	\$20,462.32	\$24,871.87
807	One	One	738	625	\$450,000	\$2,859.97	\$15,632.91	\$18,492.88
907	One	One	738	625	\$450,000	\$2,859.97	\$15,632.91	\$18,492.88
1007	One	One	738	625	\$450,000	\$2,859.97	\$15,632.91	\$18,492.88
808	Studio	One	523	445	\$387,000	\$1,541.05	\$11,522.37	\$13,063.42
908	Studio	One	523	445	\$387,000	\$1,541.05	\$11,522.37	\$13,063.42
809	Studio	One	474	415	\$387,000	\$1,541.05	\$11,522.37	\$13,063.42
909	Studio	One	474	415	\$387,000	\$1,541.05	\$11,522.37	\$13,063.42
815	Two	Three	1507	1290	\$750,000	\$4,409.55	\$20,462.32	\$24,871.87
915	Two	Three	1507	1290	\$750,000	\$4,409.55	\$20,462.32	\$24,871.87
818	Two	Three	1593	1395	\$750,000	\$4,409.55	\$20,462.32	\$24,871.87
918	Two	Three	1593	1395	\$750,000	\$4,409.55	\$20,462.32	\$24,871.87
1018	Two	Three	1539	1349	\$750,000	\$4,409.55	\$20,462.32	\$24,871.87
821	Two	Two	1129	937	\$650,000	\$4,409.55	\$20,462.32	\$24,871.87
921	Two	Two	1129	937	\$650,000	\$4,409.55	\$20,462.32	\$24,871.87
1021	Two	Two	1129	937	\$650,000	\$4,409.55	\$20,462.32	\$24,871.87
1121	Two	Two	1129	937	\$650,000	\$4,409.55	\$20,462.32	\$24,871.87
822	One	Two	1070	832	\$522,000	\$2,859.97	\$15,632.91	\$18,492.88
922	One	Two	1070	832	\$522,000	\$2,859.97	\$15,632.91	\$18,492.88
835	Two	Three	1458	1263	\$800,000	\$4,409.55	\$20,462.32	\$24,871.87
935	Two	Three	1458	1263	\$800,000	\$4,409.55	\$20,462.32	\$24,871.87

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SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB

Two East 55th Street
New York, New York 10022

CLUB UNIT 1					PURCHASE PRICE 2	PROJECTED ANNUAL CLUB CHARGES 3		
Number	Bedrooms	Bathrooms	"Condominium Declaration" Square Feet	"Usable" Square Feet	Facing	Real Estate Taxes (a)	Other Club Expenses (b)	Total Club Charges (a)+(b)
836	Two	Three	1455	1260	Interior	\$4,409.55	\$20,462.32	\$24,871.87
936	Two	Three	1455	1260	Interior	\$4,409.55	\$20,462.32	\$24,871.87
1035	Two	Three	1458	1262	55th Street	\$4,409.55	\$20,462.32	\$24,871.87
1135	Two	Three	1458	1262	Interior	\$4,409.55	\$20,462.32	\$24,871.87
1036	Two	Three	1455	1259	55th Street	\$4,409.55	\$20,462.32	\$24,871.87
1136	Two	Three	1438	1245	Interior	\$4,409.55	\$20,462.32	\$24,871.87
TOTALS						\$1,372,499	\$6,777,195	\$8,149,695

See Notes to Schedule A

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Notes to Schedule A

1. The Club Units on Floors 8, 9, 10 and 11 contain studios; one-bedrooms; and two-bedroom duplexes. The Club Interest in each Club Unit is equal to a fraction, the numerator of which is four (4) and the denominator of which is fifty-two (52).

Purchasers should refer to the Floor Plans set forth in Part II of the Offering plan for an approximation of the dimensions and layouts of the Club Units. The "Condominium Declaration" square footage represents the square foot area of the Club Unit measured horizontally on each floor from the interior side of the glazing or the exterior walls at the Building line and/or the Property line to the midpoint of the interior walls and partitions separating one Club Unit from another Unit, or the public side of the interior walls separating a Club Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Column and mechanical pipes (whether along the perimeter or with the Club Unit) are not deducted from the square foot area of the Club Unit. The "useable" square foot area of a Club Unit represents that portion of the Club Unit to which the Club Owner has access (i.e., interior painted surfaced to interior painted surface, including kitchen counters, bathtubs, etc.). The square foot area and dimensions of the Club Units are approximate and may vary due to field conditions. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Offering Plan unless the square foot area of the Club Unit is diminished by more than five percent (5%) (excluding interior partitions), therefore affording Purchaser a fifteen (15) day right to rescind.

The number of rooms in each Club Unit has been computed by Sponsor in accordance with industry standard as follows:

<u>Type of Club Unit</u>	<u>Total Rooms</u>	<u>Type of Rooms</u>
Studio	2	1 bedroom, 1 bathroom
One bedroom	3 or 4	1 or 2 bedrooms, 1 bathroom, 1 living room
Two bedroom	5	2 bedrooms, 2 bathrooms, 1 living room
Two bedroom duplex	5 or 6	2 bedrooms, 2 or 3 bathrooms, 1 living room

2. THE PURCHASE PRICES AND OTHER TERMS OF SALE OF CLUB INTERESTS MAY BE NEGOTIATED BY SPONSOR AND, THEREFORE, MAY BE CHANGED. ACCORDINGLY, PURCHASERS MAY PAY DIFFERENT PURCHASE PRICES FOR SIMILAR CLUB INTERESTS. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section of the Offering Plan entitled "Changes in Prices and Facilities." In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Offering Plan entitled "Closing Costs". If Purchaser obtains a mortgage loan from Sponsor or other lender, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There may be an apportionment of certain charges relating to the

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Club Interest at the time of the Closing of Title. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

3. The estimated Club Charges contained in this column are for the period from January 1, 2018 to December 31, 2018 based on the "Schedule B – Club Budget" prepared by Sponsor in consultation with the Club Budget Expert. Club Charges include Real Estate Taxes assessed against the Club Units and other Club Expenses. The Club Association reserves the right to bill Club Members for Club Charges more often than once a year.

The estimated annual Real Estate Taxes of \$1,347,490 for the 2018 budget calendar year for the Club Units are based upon tax assessments published by the City of New York, that: (a) the approximate allocated assessed taxable value of the Club Units during the second half of the 2016/2017 tax year is \$12,321,283 in the aggregate and during the first half of the 2017/2018 tax year is estimated to be \$12,564,364 in the aggregate for a total 2017 market value of \$27,380,618 (rounded); and (b) the effective tax rate in effect for the 2016/2017 tax year is \$10.656 per \$100 of assessed valuation and the tax rate in effect for the 2017/2018 tax year is estimated to be \$10.975 per \$100 of assessed valuation with respect to the Club Units. While the legal responsibility for Real Estate Taxes lies with each Club Member, the Club Association will collect Real Estate Taxes from each Club Member (which are included in the Club Charges) and remit the same on behalf of each Club Member to the taxing authorities. In addition to these estimated Club Charges, each Owner will be responsible for mortgage payments under a loan, if any, obtained to finance the purchase of the Club Interest.

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EXHIBIT "B"

2016 CLUB FINANCIAL STATEMENTS

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR
ENDED DECEMBER 31, 2015)

Myers
& Bretttholtz
& COMPANY, PA
CPAs and Consultants

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fifth and Fifty-Fifth Residence Club Association, Inc.

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Residence Club Association, Inc., which comprise the balance sheet as of December 31, 2016, and the related statements of comprehensive income and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Residence Club Association, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
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To the Board of Directors of
Fifth and Fifty-Fifth Residence Club Association, Inc.

Report on Summarized Comparative Information

We have previously audited the Fifth and Fifty-Fifth Residence Club Association, Inc.'s 2015 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated March 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses - budget to actual, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
September 21, 2017

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beech Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2016
(With comparative totals for December 31, 2015)

	FUNDS		2016	2015
	Operating	Replacement	Total	Total
ASSETS				
Cash and cash equivalents	\$ 3,088,653	\$ 130,927	\$ 3,219,580	\$ 3,811,743
Certificates of deposit	-	503,000	503,000	915,000
Investments	-	4,353,522	4,353,522	2,259,575
Accounts receivable - members, net	14,313	-	14,313	10,747
Interest receivable	-	1,129	1,129	1,597
Accounts receivable - other	3,544	-	3,544	-
Due from Manager	21,062	-	21,062	-
Due from Condominium	1,242	-	1,242	-
Prepaid expenses	665,169	-	665,169	658,697
Deferred tax asset	-	-	-	7,142
Due from funds	-	7	7	6
Total assets	\$ 3,793,983	\$ 4,988,585	\$ 8,782,568	\$ 7,664,507
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 31,265	\$ -	\$ 31,265	\$ 23,856
Due to Manager	-	-	-	15,357
Assessments received in advance	1,576,304	-	1,576,304	1,374,724
Deferred refurbishment fees	-	-	-	160,976
Deferred tax liability	-	51,897	51,897	-
Due to funds	7	-	7	6
Total liabilities	1,607,576	51,897	1,659,473	1,574,919
FUND BALANCES				
Accumulated excess of revenues over expenses	811,407	4,878,165	5,689,572	5,104,764
Board designated	1,375,000	-	1,375,000	1,000,000
Accumulated other comprehensive income (loss)	-	-	-	-
Net unrealized gain (loss) on investments	-	58,523	58,523	(15,176)
Total fund balances	2,186,407	4,936,688	7,123,095	6,089,588
Total liabilities and fund balances	\$ 3,793,983	\$ 4,988,585	\$ 8,782,568	\$ 7,664,507

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF COMPREHENSIVE INCOME AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	FUNDS		2016	2015
	Operating	Replacement	Total	Total
REVENUES				
Maintenance fees	\$ 7,390,671	\$ 759,024	\$ 8,149,695	\$ 7,811,286
Refurbishment fees	160,976	-	160,976	238,881
Interest and dividends	8,411	96,300	104,711	69,640
Late fees and interest	17,065	-	17,065	5,455
Loss on sale of investments	-	(60,525)	(60,525)	(82,359)
Gain reclassified from other comprehensive income	-	19,382	19,382	-
Total revenues	7,577,123	814,181	8,391,304	8,042,903
EXPENSES				
Housekeeping and rooms	1,831,673	-	1,831,673	1,598,206
Administrative and general	545,833	-	545,833	479,394
Management fees	533,158	-	533,158	511,019
Property operations and maintenance	-	-	-	15,021
Real estate taxes	1,330,536	-	1,330,536	1,300,370
Income taxes	24,533	-	24,533	14,553
Insurance	22,969	-	22,969	28,185
Condominium fees	3,108,055	-	3,108,055	3,003,481
Refurbishment project	-	-	-	238,881
Replacement	-	60,374	60,374	8,405
Total expenses	7,396,757	60,374	7,457,131	7,197,515
Excess of revenues over expenses	180,366	753,807	934,173	845,388
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX				
Unrealized gain (loss) on investments				
Unrealized holding gain (loss) arising during period	-	83,971	83,971	(15,176)
Less: reclassification adjustment for gain included in net income	-	(10,272)	(10,272)	-
Other comprehensive income (loss)	-	73,699	73,699	(15,176)
Total comprehensive income	180,366	827,506	1,007,872	830,212

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF COMPREHENSIVE INCOME AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	FUNDS		2016	2015
	Operating	Replacement	Total	Total
FUND BALANCES - January 1,	2,730,406	3,359,182	6,089,588	5,259,376
INTERFUND TRANSFER	(750,000)	750,000	-	-
SURPLUS DISTRIBUTION	25,635	-	25,635	-
FUND BALANCES - December 31,	<u>\$ 2,186,407</u>	<u>\$ 4,936,688</u>	<u>\$ 7,123,095</u>	<u>\$ 6,089,588</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	FUNDS		2016 Total	2015 Total
	Operating	Replacement		
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenues over expenses	\$ 180,366	\$ 753,807	\$ 934,173	\$ 845,388
Provision for uncollectible accounts	91,855	-	91,855	-
Recovery of bad debt	-	-	-	(442,017)
Loss on sale of investments	-	41,143	41,143	82,359
Dividends reinvested	-	(82,609)	(82,609)	(54,703)
Changes in:				
Accounts receivable - members	(95,421)	-	(95,421)	464,794
Interest receivable	-	468	468	1,313
Accounts receivable - other	(3,544)	-	(3,544)	163,881
Due from Manager	(21,062)	-	(21,062)	150,900
Due from Condominium	(1,242)	-	(1,242)	-
Prepaid expenses	(6,472)	-	(6,472)	(5,781)
Accounts payable and accrued expenses	7,409	-	7,409	(203,772)
Due to Manager	(15,357)	-	(15,357)	15,357
Assessments received in advance	201,580	-	201,580	(351,413)
Deferred refurbishment fees	(160,976)	-	(160,976)	(238,881)
Net cash provided by operating activities	<u>177,136</u>	<u>712,809</u>	<u>889,945</u>	<u>427,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from redemption of certificates of deposit	-	412,000	412,000	594,000
Purchases of investments	-	(5,479,785)	(5,479,785)	(4,337,799)
Proceeds from sale of investments	-	3,560,042	3,560,042	2,028,250
Net cash used by investing activities	<u>-</u>	<u>(1,507,743)</u>	<u>(1,507,743)</u>	<u>(1,715,549)</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	FUNDS		2016 Total	2015 Total
	Operating	Replacement		
CASH FLOWS FROM FINANCING ACTIVITIES				
Interfund reimbursement	1	(1)	-	-
Interfund transfer	(750,000)	750,000	-	-
Surplus distribution	25,635	-	25,635	-
Net cash (used) provided by financing activities	(724,364)	749,999	25,635	-
Net decrease in cash	(547,228)	(44,935)	(592,163)	(1,288,124)
CASH AND CASH EQUIVALENTS- January 1,	3,635,881	175,862	3,811,743	5,099,867
CASH AND CASH EQUIVALENTS- December 31,	<u>\$ 3,088,653</u>	<u>\$ 130,927</u>	<u>\$ 3,219,580</u>	<u>\$ 3,811,743</u>

SUPPLEMENTAL INFORMATION

Income taxes paid	<u>\$ 23,823</u>	<u>\$ -</u>	<u>\$ 23,823</u>	<u>\$ 25</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 - THE ASSOCIATION

Fifth and Fifty-Fifth Residence Club Association, Inc. (the "Association"), was formed on June 26, 2006 to promote and advance the health and welfare of the fractional interest owners of Fifth and Fifty-Fifth Residence Club (the "Club"). The Club consists of 372 fractional interests located on the 8th, 9th, 10th and 11th floors of a mixed-use project which includes lodging and commercial enterprise within the control of the commercial unit owners. The owners of all fractional interests in the Club are the only members.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Club (the "Developer"). Until all fractional interests have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the fractional interests owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 21, 2017, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and presents them as separate funds based on its different funding policies for operations and major repairs and replacements.

The operating fund reflects the operating portion of the annual assessments billed to the members to meet the various day-to-day expenditures incurred in the administration and operation of the Club. The Board of Directors (the "Board") designated \$1,000,000 of the operating fund balance to provide for the real estate tax payment and \$375,000 to provide for future years condominium fees.

The replacement fund is composed of the portion of the annual assessments designated in the budget to fund future major repairs and replacements, as further described in Note 10.

Investments

The Association classifies its marketable securities as available-for-sale. Available-for-sale securities are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of other comprehensive income (loss) and reported as a separate component of fund balance.

The fair value of substantially all securities is determined by quoted market prices. Gains or losses on securities sold are based on the specific identification method.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when the payment is not received on or before the due date. The Association accounts for potential losses in accounts receivable utilizing the allowance method. The Association maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts expense for the years ended December 31, 2016 and 2015, was \$91,855 and \$101,738, respectively, and is included in administrative and general expenses.

Common Property

The Association is responsible to preserve and maintain the common property of the Club. Ownership of the commonly owned assets is vested directly or indirectly in the members, those assets are not titled in the Association's name and disposition of those assets by the Board is restricted. As a result, commonly owned assets are not presented in the Association's financial statements. Common property not capitalized consists of unit furnishings. Additions and improvements to common property are accounted for as major repair and replacement expenditures in the replacement fund.

Income Taxes

Management has analyzed its various federal, state and city filing positions and believes that the Association's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Association's federal and state income tax returns remain subject to examination by the Internal Revenue Service and the State of New York, respectively, for three years from the date of filing.

The Association files its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed at a rate of 32% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the nonexempt function income; therefore, no deferred tax provision has been recorded. The tax effect related to other comprehensive income (loss) is reflected in the balance sheet. The Association incurred an income tax liability of \$25,342, reduced by estimates paid of \$9,269 for the ended December 31, 2016. The prepaid state income tax is shown as accounts receivable - other and the income tax liability is included in accounts payable and accrued expenses. The Association incurred an income tax liability of \$14,553 for the year ended December 31, 2015 and is included in accounts payable and accrued expenses.

As of December 31, 2016, the Association has capital losses of \$82,359 and \$41,143 that can be carried forward until the years 2020 and 2021, respectively.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

Substantially all of the Association's assets and liabilities, excluding prepaid expenses, deferred tax asset, assessments received in advance, deferred refurbishment fees and deferred tax liability, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument. Investments are valued based on the classification as further described in the investment policy above.

Revenue Recognition

Maintenance fees revenue is recognized monthly in the amount of the membership assessment allocation specified for the current period operations, based on the annual budget adopted by the Board. A proportionate share of the maintenance fees is assessed for each fractional interest, based on unit type.

Late fees and interest revenue is recognized when collected.

Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, excluding certificates of deposit.

The Association made cash payments for income taxes of \$23,823 and \$25, during the years ended December 31, 2016 and 2015, respectively. The Association made no cash payments for interest during the years ended December 31, 2016 or 2015.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Association maintains cash balances and certificates of deposit at various financial institutions. Accounts and certificates of deposit at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2016 and 2015, \$769,775 and \$565,823, respectively, was uninsured, based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling \$2,062,381 and \$2,644,720, as of December 31, 2016 and 2015, respectively, are not insured by the FDIC.

As of December 31, 2016 and 2015, the Developer owned 98 fractional interests, or approximately 26% of the available interests.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 5 - INVESTMENTS

The Association invests idle cash balances in various securities. The amortized historical cost, aggregate fair value, and gross unrealized holding gain, summarized by major security type, as of December 31, 2016 consisted of:

	Amortized Historical Cost	Aggregate Fair Value	Gross Unrealized Holding Gain
Replacement Fund			
Available-for-sale			
Mutual funds	<u>\$ 4,243,102</u>	<u>\$ 4,353,522</u>	<u>\$ 110,420</u>

The following are the major categories of assets measured at fair value on a recurring basis during the year ended December 31, 2016, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of December 31, 2016
Description				
Available-for-sale securities	<u>\$ 4,353,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,353,522</u>

The amortized historical cost, aggregate fair value, and gross unrealized holding loss, summarized by major security type, as of December 31, 2015 consisted of:

	Amortized Historical Cost	Aggregate Fair Value	Gross Unrealized Holding Loss
Replacement Fund			
Available-for-sale			
Mutual funds	<u>\$ 2,281,893</u>	<u>\$ 2,259,575</u>	<u>\$ (22,318)</u>

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 5 - INVESTMENTS (Continued)

The following are the major categories of assets measured at fair value on a recurring basis during the year ended December 31, 2015, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of December 31, 2015
Available-for-sale securities	<u>\$ 2,259,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,259,575</u>

NOTE 6 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - members consisted of the following as of December 31,

	2016	2015
Maintenance fee assessments	<u>\$ 335,149</u>	<u>\$ 240,729</u>
Less: allowance for uncollectible accounts	<u>(321,836)</u>	<u>(229,982)</u>
	<u>\$ 14,313</u>	<u>\$ 10,747</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2016 and 2015, the amount of maintenance fees assessed to the Developer was \$2,012,753 and \$1,929,988, respectively. As of December 31, 2016 and 2015, there were no amounts due from the Developer.

St. Regis New York Management, Inc. (the "Manager") is an affiliate of the Developer. A Board member is also an employee of the Manager or its affiliates. Substantially all operating expenses have been allocated to the Association from the Manager. As of December 31, 2016, due from Manager of \$21,062 consisted of reimbursements due to the Association. As of December 31, 2015, due to Manager of \$15,357 consisted of operating expenses of the Association paid by the Manager.

The Association is part of the high-rise estate project consisting of mixed-use components known as the Fifth and Fifty-Fifth Condominium (the "Condominium"). A Board member is also a member of the board of directors of the Condominium. The Condominium allocates and assesses charges to the Association for the repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the common elements, the provision of services to the mixed-use components and the business affairs of the Condominium. The charges are considered to be a common expense of the Association. For the years ended December 31, 2016 and 2015, the condominium fees were \$3,108,055 and \$3,003,481, respectively. As of December 31, 2016 and 2015, amounts due from the Condominium for overpayment of fees were \$1,242 and \$0, respectively.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 8 - ASSESSMENTS RECEIVED IN ADVANCE

Assessments received in advance in the amounts of \$1,576,304 and \$1,374,724, consisted of 2017 and 2016 maintenance fees received by the Association prior to January 1, 2017 and 2016, respectively.

NOTE 9 - DEFERRED REFURBISHMENT FEES

During the year ended December 31, 2012, the Association billed owners for refurbishment fees totaling \$9,696,498. The refurbishment fees are recognized as the related expenses are incurred. Unexpended amounts are recorded as deferred revenue on the balance sheet until they are either expended for the purpose of the original assessment, returned to owners or used for another purpose determined and approved by the Board. During the years ended December 31, 2016 and 2015, there were expenditures of \$0 and \$238,881, respectively, related to the refurbishment project. During the year ended December 31, 2016, the Board approved the recognition of the unexpended refurbishment fees of \$160,976 in the operating fund.

NOTE 10 - REPLACEMENT FUND

New York Statutes require reasonable sums to be periodically set aside for the funding of reserves. Reserves are funded per the Board approved budget. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The Association's replacement fund is utilized to accumulate funds for future major repairs and replacements, based on the budgeted portion of the maintenance fee assessment charged to each member, and specifically designated for the fund in the annual budget. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board to meet the objective for which the fund was established. The Association's policy is to retain the investment income earned on such funds in the replacement fund.

During 2016 and 2015, the Association funded for major repairs and replacements over the estimated useful lives of the components, based on the Manager's estimates of current replacement costs.

The 2017 proposed budgeted funding is \$759,021 as shown in the unaudited supplementary information. The components' actual replacement costs, useful lives, and investment income may vary from the estimated amounts and the variation may be material.

NOTE 11 - COMMITMENTS

The Association has a three-year management agreement ending August 28, 2017, with the Manager. The Manager provides on-site management and maintenance services, and off-site administrative and accounting services. The agreement automatically renews for successive three-year periods unless, at least 90 days prior to the expiration of the then-current term, either party gives written notice to the other of its election not to extend the term. The management agreement provides that the Manager may subcontract its rights, duties and obligations.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 11 - COMMITMENTS (Continued)

The Association has a banking agreement ending April 24, 2018 with the Manager and Vistana Management, Inc. ("VMI"), who has guaranteed or indemnified the Association's liability for overdrafts with banks or other entities providing financial services to the Association. The agreement give VMI the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Association's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.

NOTE 12 - CONTINGENCY

Subsequent to the year ended December 31, 2016, the Association filed a legal complaint against Vistana Signature Experiences, Inc., Vistana Vacation Ownership, Inc., Interval Leisure Group, Inc., St. Regis Residence Club, New York, Inc., and St. Regis New York Management, Inc. for breach of fiduciary duty, fraud and self-dealing. The financial impact to the Association cannot be determined.

NOTE 13 - ECONOMIC DEPENDENCY

The Association derived approximately 24% and 25% of its revenue from the Developer for the years ended December 31, 2016 and 2015, respectively.

Read Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

DEF00244552

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2016
(Unaudited)

The following table represents a study by management, which is based on estimates provided by the Manager during 2016, based on consultation with various experts regarding the estimated remaining lives of the components and their current replacement costs. The following table is based on the study and presents significant information about the components of the common property. Amounts are based on normal operations and without the effect of potential catastrophic occurrences.

Component	Estimated Useful Lives	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2017 Proposed Budgeted Funding
Unit furnishings, equipment, and other capital expenditures	1-32 years	0-20 years	<u>\$ 18,379,276</u>	<u>\$ 759,021</u>

Estimated current replacement costs are based on the assumption that the rate of investment income earned on replacement funds will be 0% and the rate of inflation 1.8%.

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES -
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget <i>(Unaudited)</i>	Actual	Variance Favorable (Unfavorable)
REVENUES			
Maintenance fees	\$ 7,390,674	\$ 7,390,671	\$ (3)
Refurbishment fees	-	160,976	160,976
Interest and dividends	2,143	8,411	6,268
Late fees and interest	5,352	17,065	11,713
Total operating fund revenues	<u>7,398,169</u>	<u>7,577,123</u>	<u>178,954</u>
EXPENSES			
HOUSEKEEPING AND ROOMS			
Housekeeping-variable	1,060,038	1,028,019	32,019
Cleaning supplies	551,843	547,466	4,377
Owner reservations	256,188	256,188	-
Total housekeeping and rooms	<u>1,868,069</u>	<u>1,831,673</u>	<u>36,396</u>
ADMINISTRATIVE AND GENERAL			
Administrative wages	112,123	105,722	6,401
Administrative other	60,000	71,445	(11,445)
SVO management	6,634	6,634	-
Association management	61,821	61,821	-
Provision for uncollectible accounts	97,446	91,855	5,591
Audit	7,500	7,800	(300)
Legal and professional	10,109	60,641	(50,532)
Annual meeting	9,000	22,649	(13,649)
Bank fees	1,964	2,078	(114)
Credit card fees	90,019	97,997	(7,978)
Postage and printing	1,225	1,807	(582)
Facilities management	15,384	15,384	-
Total administrative and general	<u>473,225</u>	<u>545,833</u>	<u>(72,608)</u>
MANAGEMENT FEES	<u>533,158</u>	<u>533,158</u>	<u>-</u>
PROPERTY OPERATIONS AND MAINTENANCE	<u>13,885</u>	<u>-</u>	<u>13,885</u>
REAL ESTATE TAXES	<u>1,372,499</u>	<u>1,330,536</u>	<u>41,963</u>
INCOME TAXES	<u>300</u>	<u>24,533</u>	<u>(24,233)</u>

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FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES -
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budget</u> <i>(Unaudited)</i>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
INSURANCE	<u>28,978</u>	<u>22,969</u>	<u>6,009</u>
CONDOMINIUM FEES	<u>3,108,055</u>	<u>3,108,055</u>	<u>-</u>
Total operating fund expenses	<u>7,398,169</u>	<u>7,396,757</u>	<u>1,412</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ 180,366</u>	<u>\$ 180,366</u>

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EXHIBIT "C"

2016 CONDOMINIUM FINANCIAL STATEMENTS

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DEF00244556

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Myers
& Bretttholtz
& COMPANY, PA
CPAs and Consultants

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

DEF00244557

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Fifth and Fifty-Fifth Condominium

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Condominium, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of revenues, expenses and changes in fund balance and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Condominium as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
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DEF00244559

To the Board of Managers of
Fifth and Fifty-Fifth Condominium

Other Matter

The supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements is not presented because a replacement fund has not been established, as further described in Note 8. The supplementary information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the supplementary information on future major repairs and replacements that has not been presented.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenses - budget to actual, which is the responsibility of the Condominium's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



MYERS, BRETHOLTZ & COMPANY, PA
Fort Myers, Florida
February 27, 2017

OFFICES IN FORT MYERS AND NAPLES 12671 Whitehall Drive • Fort Myers, Florida 33907-3626 • 239.939.5775 • fax 239.939.3032
999 Vanderbilt Beach Road, Suite 200 • Naples, Florida 34108 • 239.919.5086 • fax 239.939.3032
THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

DEF00244560

FIFTH AND FIFTY-FIFTH CONDOMINIUM
BALANCE SHEETS
DECEMBER 31,

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,368,563	\$ 1,475,527
Accounts receivable - members, net	31,911	14,768
Due from Manager	-	74,557
Prepaid expenses	1,612	462
Total assets	<u>\$ 1,402,086</u>	<u>\$ 1,565,314</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued expenses	\$ 10,148	\$ 29,375
Income taxes payable	25	25
Due to Manager	21,966	-
Assessments received in advance	9,362	-
Deferred refurbishment fees	-	280,700
Total liabilities	41,501	310,100
FUND BALANCE	<u>1,360,585</u>	<u>1,255,214</u>
Total liabilities and fund balance	<u>\$ 1,402,086</u>	<u>\$ 1,565,314</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31,

	2016	2015
REVENUES		
Common charges	\$ 22,472,731	\$ 21,822,303
Refurbishment fees	280,700	-
Interest	2,196	423
Late fees and interest	6,100	1,529
	<u>22,761,727</u>	<u>21,824,255</u>
Total revenues		
EXPENSES		
Operations	11,049,344	10,763,664
Administrative and general	2,469,888	2,476,587
Telecommunications	510,092	300,359
Repairs and maintenance	3,593,482	3,647,089
Energy	2,747,052	2,804,550
Guest laundry	651,890	555,151
Administration	1,917	4,558
Board and membership meetings	3,529	2,090
Provision for uncollectible accounts	42,468	1,540
Legal and audit	14,166	15,047
Income taxes	25	25
Insurance	507,149	554,539
Management fees	123,804	125,880
	<u>21,714,806</u>	<u>21,251,079</u>
Total expenses		
Excess of revenues over expenses	1,046,921	573,176
FUND BALANCE - January 1,	1,255,214	682,038
SURPLUS DISTRIBUTION	(941,550)	-
FUND BALANCE - December 31,	<u>\$ 1,360,585</u>	<u>\$ 1,255,214</u>

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,046,921	\$ 573,176
Provision for uncollectible accounts	42,468	1,540
Changes in:		
Accounts receivable - members	(59,611)	(16,308)
Accounts receivable - other	-	24,050
Due from Manager	74,557	(74,557)
Prepaid expenses	(1,150)	10,131
Accounts payable and accrued expenses	(19,227)	(137,452)
Due to Manager	21,966	(380,105)
Assessments received in advance	9,362	-
Deferred refurbishment fees	(280,700)	7,479
Net cash provided by operating activities	834,586	7,954
CASH FLOWS FROM FINANCING ACTIVITIES		
Surplus distribution	(941,550)	-
Net (decrease) increase in cash	(106,964)	7,954
CASH AND CASH EQUIVALENTS - January 1,	1,475,527	1,467,573
CASH AND CASH EQUIVALENTS - December 31,	<u>\$ 1,368,563</u>	<u>\$ 1,475,527</u>

SUPPLEMENTAL INFORMATION

Income taxes paid	\$ 25	\$ 25
Interest paid	\$ -	\$ -

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 - THE CONDOMINIUM

Fifth and Fifty-Fifth Condominium (the "Condominium"), was formed on June 13, 2006, to be responsible for the management of a high-rise estate project (the "Project") consisting of distinct mixed-use components located in New York, New York.

The Project consists of: (1) 15 suite units, located on the 10th and 11th floors of the building, (2) 31 club units, located on the 8th, 9th, 10th and 11th floors of the building, and (3) two commercial units, one of which (the "Hotel unit") is located on portions of each floor (other than the 8th, 9th, 10th, and 11th floors) of the building and the "Retail unit" which is located on portions of the 1st and mezzanine floors of the building. The owners of all units in the Condominium are the only members.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Project (the "Developer"). Until all units have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the units owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through February 27, 2017, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Accounting

The Condominium prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when the payment is not received on or before the due date. The Condominium accounts for potential losses in accounts receivable utilizing the allowance method. The Condominium maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts expense for the years ended December 31, 2016 and 2015 was \$42,468 and \$1,540, respectively.

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property

The Condominium is responsible to preserve and maintain the common property of the Project. Ownership of the commonly owned assets is vested directly or indirectly in the members, those assets are not titled in the Condominium's name and disposition of those assets by the Board of Managers (the "Board") is restricted. As a result, commonly owned assets are not presented in the Condominium's financial statements.

The general common elements and the hotel limited common elements are set forth in detail at Article 7 of the Second Amended and Restated Declaration of Fifth and Fifty-Fifth Condominium, as may be amended from time to time.

Income Taxes

Management has analyzed its various federal and state filing positions and believes that the Condominium's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Association's federal and state income tax returns remain subject to examination by the Internal Revenue Service and the State of New York, respectively, for three years from the date of filing.

The Condominium has elected to be taxed as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Condominium is not taxed on uniform assessments to members and other income received from Condominium members solely as a function of their membership in the Condominium. The Condominium is taxed at a rate of 30% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the non-exempt function income; therefore, no deferred tax provision has been recorded. The Condominium incurred an income tax liability of \$25 for the years ended December 31, 2016 and 2015.

Fair Value of Financial Instruments

Substantially all of the Condominium's assets and liabilities, excluding prepaid expenses, assessments received in advance and deferred refurbishment fees, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

Revenue Recognition

Common charges revenue is recorded monthly in the amount of the membership assessment allocation specified for current period operations, and is based on the annual budget adopted by the Board. A proportionate undivided interest in fee simple absolute (expressed as a percentage) in the common elements is assessed for each unit, based on square footage.

Late fees and interest revenue is recognized when collected.

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Flows

For purposes of the statement of cash flows, the Condominium considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Condominium made cash payments for income taxes of \$25 during the years ended December 31, 2016 and 2015. The Condominium made no cash payments for interest during the years ended December 31, 2016 or 2015.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Condominium maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2016 and 2015, \$0 and \$929, respectively, was uninsured, based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling \$1,333,281 and \$1,199,306, as of December 31, 2016 and 2015, respectively, are not insured by the FDIC.

As of December 31, 2016 and 2015, the Developer owned the hotel unit and seven suite units, or approximately 44% of the available units.

NOTE 5 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - members consisted of the following as of December 31,

	2016	2015
Common charges	\$ 75,919	\$ 16,308
Less: allowance for uncollectible accounts	(44,008)	(1,540)
	<u>\$ 31,911</u>	<u>\$ 14,768</u>

NOTE 6 - DEFERRED REFURBISHMENT FEES

During the year ended December 31, 2013, the Condominium billed members for refurbishment fees totaling \$831,265 for lobby and reception area refurbishment. The refurbishment fees are recognized as the related expenses are incurred. Unexpended amounts are recorded as deferred revenue on the balance sheet until they are either expended for the purpose of the original assessment, returned to members or used for another purpose as determined and approved by the Board. During the year ended December 31, 2016, the Board approved the transfer of the unexpended refurbishment fees balance of \$280,700 to the operating fund.

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2016 and 2015, the Developer paid common charges of \$18,620,232 and \$18,079,584, respectively. As of December 31, 2016 and 2015, there were no amounts due from the Developer.

St. Regis New York Operating LLC (the "Manager") is an affiliate of the Developer. Substantially all operating expenses have been allocated to the Condominium from the Manager. As of December 31, 2016, due to Manager of \$21,966 consisted of operating expenses of the Condominium paid by the Manager. As of December 31, 2015, due from Manager of \$74,557 consisted of reimbursements due to the Condominium.

NOTE 8 - REPLACEMENT FUND

A replacement fund has not been established; therefore, no reserve assessments have been levied. If funds are needed, the Condominium has the right, subject to the Board's approval, to charge regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 9 - COMMITMENTS

The Condominium has an agreement ending May 31, 2019, with the Manager. The Manager provides on-site management and maintenance services, and off-site administrative and accounting services. The agreement automatically renews for successive three-year periods unless, at least 90 days prior to the expiration of the then-current term, either party gives written notice to the other of its election not to extend the term. The management agreement provides that the Manager may subcontract its rights, duties and obligations under the management agreement.

The Condominium has a banking agreement ending April 25, 2018 with the Manager, Vistana Residential Management, Inc. and Vistana Management, Inc. ("VMI"), who has guaranteed or indemnified the Condominium's liability for overdrafts with banks or other entities providing financial services to the Condominium. The agreement gives VMI the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Condominium's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.

NOTE 10 - ECONOMIC DEPENDENCY

The Condominium derived approximately 82% and 83% of its revenue from the Developer during the years ended December 31, 2016 and 2015, respectively.

Read Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

DEF00244568

FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget <i>(Unaudited)</i>	Actual	Variance Favorable (Unfavorable)
REVENUES			
Common charges	\$ 22,472,728	\$ 22,472,731	\$ 3
Refurbishment fees	-	280,700	280,700
Interest	751	2,196	1,445
Late fees and interest	1,163	6,100	4,937
Total revenues	<u>22,474,642</u>	<u>22,761,727</u>	<u>287,085</u>
EXPENSES			
OPERATIONS			
Managers	655,942	655,942	-
Bellman	516,962	516,962	-
Concierge	184,980	184,980	-
Doorman	320,898	320,898	-
Page	270,110	270,110	-
Houseperson	960,028	960,028	-
Public area attendant	193,944	193,944	-
Front office	427,167	427,167	-
Butler	2,432,717	2,432,717	-
Benefits	4,166,768	4,166,768	-
Contract services	202,020	154,071	47,949
Decorations	128,065	83,333	44,732
Uniforms	186,739	147,117	39,622
Cleaning supplies	18,736	12,809	5,927
Operating supplies	282,792	308,281	(25,489)
Cable television	200,927	214,217	(13,290)
Telecommunications	23,184	-	23,184
Total operations	<u>11,171,979</u>	<u>11,049,344</u>	<u>122,635</u>
ADMINISTRATIVE AND GENERAL			
Management	691,098	691,098	-
Accounting office	30,251	30,251	-
Human resources	42,917	42,917	-
Administration	20,786	20,786	-
Security salaries and wages	593,824	593,824	-
Bonus wages	21,627	7,389	14,238
Benefits	767,620	767,620	-
Operating supplies	25,714	39,441	(13,727)
Payroll service	56,093	58,468	(2,375)

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget <i>(Unaudited)</i>	Actual	Variance Favorable (Unfavorable)
ADMINISTRATIVE AND GENERAL (Continued)			
Personnel relocation	15,384	7,443	7,941
Personnel recognition	54,461	70,265	(15,804)
Personnel training	47,906	59,688	(11,782)
Telecommunications	17,002	29,138	(12,136)
Uniforms	8,578	9,708	(1,130)
Postage	2,698	1,572	1,126
Print and stationery	10,690	5,689	5,001
Professional fees and dues	753	7,831	(7,078)
Security	9,408	8,634	774
Bank fees	1,883	2,232	(349)
Six sigma distribution	-	15,894	(15,894)
Total administrative and general	<u>2,418,693</u>	<u>2,469,888</u>	<u>(51,195)</u>
TELECOMMUNICATIONS			
Salaries and wages	307,451	307,451	-
Benefits	202,641	202,641	-
Total telecommunications	<u>510,092</u>	<u>510,092</u>	<u>-</u>
REPAIRS AND MAINTENANCE			
Salaries and wages	1,247,054	1,247,054	-
Benefits	817,569	817,569	-
Alarm maintenance	5,751	6,949	(1,198)
Building	241,433	175,633	65,800
Computer system maintenance	268,446	264,230	4,216
Contract services purchasing	55,916	23,872	32,044
Curtain and drapes	-	381	(381)
Electrical and mechanical equipment	16,628	16,387	241
Electric bulbs	30,701	31,782	(1,081)
Elevators	461,357	398,905	62,452
Engineering supplies	4,283	6,553	(2,270)
Floor coverings	8,557	9,368	(811)
Furniture and equipment	3,573	5,443	(1,870)
Grounds / landscaping	66,965	45,447	21,518
HVAC	75,574	95,352	(19,778)
Keys and locks	9,692	14,776	(5,084)
Laundry equipment	4,934	7,037	(2,103)
Maintenance contract	137,054	146,964	(9,910)
Miscellaneous	-	1,405	(1,405)
Operating supplies	2,144	5,516	(3,372)
Painting and decorating	6,355	13,905	(7,550)
Pest control	53,597	40,537	13,060
Plumbing	39,429	106,704	(67,275)
Telecommunications	6,789	-	6,789
Television and radio	5,894	3,593	2,301

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
REPAIRS AND MAINTENANCE (Continued)			
Signs	2,859	1,046	1,813
Tools	8,411	4,727	3,684
Uniforms	3,692	5,395	(1,703)
Waste removal	103,623	96,952	6,671
Total repairs and maintenance	<u>3,688,280</u>	<u>3,593,482</u>	<u>94,798</u>
ENERGY			
Electric current	1,638,642	1,381,992	256,650
Steam	889,683	802,990	86,693
Sewer	336,041	353,743	(17,702)
Water	193,767	208,327	(14,560)
Total energy	<u>3,058,133</u>	<u>2,747,052</u>	<u>311,081</u>
GUEST LAUNDRY			
Salaries and wages	371,359	371,359	-
Benefits	268,084	268,084	-
Print and stationery	2,391	520	1,871
Uniforms	1,415	2,636	(1,221)
Miscellaneous	-	4	(4)
Operating supplies	9,565	9,287	278
Total guest laundry	<u>652,814</u>	<u>651,890</u>	<u>924</u>
ADMINISTRATION			
Administration	1,176	1,176	-
Administration other	3,060	741	2,319
Total administration	<u>4,236</u>	<u>1,917</u>	<u>2,319</u>
BOARD AND MEMBERSHIP MEETINGS	<u>6,000</u>	<u>3,529</u>	<u>2,471</u>
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	<u>25,000</u>	<u>42,468</u>	<u>(17,468)</u>
LEGAL AND AUDIT			
Legal	5,158	6,466	(1,308)
Audit	7,500	7,700	(200)
Total legal and audit	<u>12,658</u>	<u>14,166</u>	<u>(1,508)</u>
INCOME TAXES	<u>300</u>	<u>25</u>	<u>275</u>
INSURANCE	<u>577,653</u>	<u>507,149</u>	<u>70,504</u>

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget <i>(Unaudited)</i>	Actual	Variance Favorable (Unfavorable)
MANAGEMENT FEES	123,804	123,804	-
CONTINGENCY	225,000	-	225,000
Total expenses	22,474,642	21,714,806	759,836
Excess of revenues over expenses	\$ -	\$ 1,046,921	\$ 1,046,921

Read Independent Auditor's Report.
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DEF00244572

EXHIBIT "D"

2018 CLUB BUDGET

00053753.DOC

DEF00244573

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION
APPROVED BUDGET OF OPERATING EXPENSES & REPLACEMENT RESERVES
JANUARY 1, 2018 through DECEMBER 31, 2018

	All Units Annual	Fractional Ownership Interest		
		Studio	1 BR	2 BR Deluxe
Income				
Maintenance Charges	\$ 8,321,565	\$ 13,325.46	\$ 18,877.68	\$ 25,400.91
Interest Income	24,449	65.72	65.72	65.72
Total Income	\$ 8,346,015	\$ 13,391.18	\$ 18,943.40	\$ 25,466.63
Expenses				
Labor	\$ 981,304	\$ 1,101.82	\$ 2,044.81	\$ 3,152.72
Operating Supplies	168,336	189.01	350.77	540.83
Laundry Service	310,739	348.90	647.51	998.34
Administrative	918,252	1,170.69	1,967.35	2,903.34
Insurance	19,171	51.54	51.54	51.54
Management Fee	544,401	877.10	1,237.05	1,659.95
Legal & Audit	57,909	155.67	155.67	155.67
Real Estate Taxes	1,347,490	1,512.97	2,807.86	4,329.20
Condominium Fees	3,193,412	7,170.17	8,038.38	9,058.42
Prior Year (Surplus) / Deficit Reduction	(434,000)	(709.16)	(990.02)	(1,319.99)
Contingency	400,000	449.12	833.51	1,285.11
Replacement Reserves	839,001	1,073.37	1,798.99	2,651.52
Total Expenses	\$ 8,346,015	\$ 13,391.19	\$ 18,943.41	\$ 25,466.64

DEF00244574

EXHIBIT "E"

2018 CONDOMINIUM BUDGET

00063753.DOC

DEF00244575

**Fifth and Fifty-Fifth Condominium
Approved Budget for the Period
January 1, 2018 to December 31, 2018**

Estimated Income

Common Charges - Suite Units	1,251,849
Common Charges - Club Units	3,193,412
Common Charges - Hotel Unit	18,586,418
Common Charges - Retail Unit	<u>116,851</u>
Total Estimated Income	23,148,530

Estimated Expenses

Payroll and Related Expenses	
Electricity	
Steam	
Water Charges and Sewer Rent	
Repairs, Supplies and Maintenance	
Insurance	
Management Fee	
Legal and Audit Fees	
Reserve for Contingencies	
Miscellaneous Administrative Expenses	
Service Contracts	
Reimbursement to Hotel Unit for Fitness Center	
(Surplus) / Deficit Assessment	

	Total	Suite Units	Club Units	Hotel Unit	Retail Unit
	16,857,816	897,409	2,450,031	13,479,018	31,358
	1,244,354	52,340	148,197	1,043,817	-
	809,700	36,957	104,641	755,492	12,610
	602,281	24,468	69,279	487,964	20,570
	1,268,805	53,195	150,617	1,060,862	4,130
	482,470	19,601	55,498	390,894	16,478
	161,898	6,577	18,623	131,169	5,529
	13,116	5,729	886	6,238	263
	225,000	9,141	25,881	182,294	7,684
	163,163	89,406	13,104	60,427	228
	1,219,927	57,027	156,655	988,243	18,002
	-	-	-	-	-
	-	-	-	-	-
Total Estimated Expenses	<u>23,148,530</u>	<u>1,251,849</u>	<u>3,193,412</u>	<u>18,586,418</u>	<u>116,851</u>

DEF00244576